



U.S. Small Business
Administration

Tips for Contracting Officers: **The HUBZone Program**





Dear contracting officer,

Did you know that contracting officers play an important role in fueling the recovery of thousands of underserved communities across the country?

The HUBZone program was established in 1999 to ensure that a fair share of the federal contracting dollars make it to some of our most deserving communities across the country to boost their economic development.

SBA-designated HUBZones are underutilized business zones found on all Indian Lands, in one-third of rural counties, some qualified disaster areas, and all distressed communities in every state.

HUBZone-certified firms agree to locate their principal offices in HUBZone communities and agree to employ HUBZone residents for at least 35 percent of their workforce. Many HUBZone firms exceed that goal!

In FY20, more than \$13.6 billion was awarded in federal procurement dollars to HUBZone-certified firms, supporting more than 59,000 jobs.

The impact of each federal dollar spent in a HUBZone is multiplied because HUBZone firms make additional purchases from local suppliers, pay rent in the community, frequent local establishments for lunch or morning coffee, support local causes, and bring more dollars into the community through non-federal sources of revenue.

With the united and focused attention of contracting officers across the country, we know that together we can reach—and exceed—the 3 percent goal established for the HUBZone program, injecting billions of additional federal procurement dollars into the communities that need it most.

SBA looks forward to working with you to **go HUBZone!**

Warmly,

SBA's HUBZone Program Team

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WHAT IS NEW AND IMPROVED?

SBA made comprehensive changes to the HUBZone program in 2020 to make it easier for contracting officers and firms to use the program. How is it easier for contracting officers?

- **Fewer steps before contract award.** If a firm is certified at the time of an initial contract offer, it will be considered a HUBZone small business through the life of that contract. That means contracting officers no longer need to verify a firm's eligibility again at time of award.
- **Easier eligibility verification.** A firm must appear in the [Dynamic Small Business Search](#) (DSBS) as a HUBZone-certified business at the time of contract offer, which means contracting officers only need to check this one place to verify a firm is certified.



HUBZONE PROGRAM SET-ASIDE TOOLS

Contracting officers have three easy tools available for HUBZone set asides:

Sole source. A HUBZone contract can be awarded as sole source if the contracting officer does not have a reasonable expectation that two or more qualifying HUBZone small businesses will submit offers, determines that the qualified HUBZone small business is responsible, and determines that the contract can be awarded at a fair price.

Set aside. A competitive HUBZone set aside can be awarded if the contracting officer has a reasonable expectation that at least two responsible HUBZone businesses will submit offers and that the resulting contract can be awarded at a fair market price.

Price Evaluation Preference (PEP). A full and open competition contract can be awarded with a price evaluation preference for HUBZone small businesses. The offer of a HUBZone small business must be considered lower than the offer of a large business, provided that the offer of the HUBZone small business is not more than 10 percent higher.



FINDING A HUBZONE FIRM

1. Search [DSBS](#) to find and verify HUBZone-certified businesses.
2. Get personal assistance from the SBA's government [contracting area offices](#) or from [Procurement Technical Assistance Centers](#).
3. Contact your agency's Office of Small and Disadvantaged Business Utilization (OSDBU) or your Agency Small Business Specialist.
4. Issue a sources sought announcement in the [System for Awards Management \(SAM\)](#) seeking interested HUBZone small businesses.
5. Look for a HUBZone-certified firm in the [GSA Schedule program](#).

HELPFUL RESOURCES

Your agency's OSDBU can help you understand how to maximize use of the HUBZone program.

Matchmaking sessions can lead to new contracts with HUBZone businesses as well as long-term relationships with HUBZone firms over the years. Visit [GSA's website](#) to find upcoming events that you can participate in.

To learn about your agency's progress toward its HUBZone goal, access your scorecard at [SBA's website](#).

SBA has helpful tools on its [website](#), including a video and tutorials for using the set-aside tools.